(b) Indian ore in the export market till very recently was very competitively priced. For instance, in the month of April, 2008 the spot price of Indian iron was US$ 145 per metric tonne on FOB basis as compared to approximately US$ 134 per metric tonne which was the price of iron ore being exported by other countries on long tern agreement basis. However, the spot price of Indian ore has come down to US$ 51 per metric tonne on FOB basis in November, 2008 and the iron ore exports have also come down from 52.65 million tonnes for the period from 1st April to 15th November, 2007 to 45.20 million tonnes for the same period during the current financial year.

(c) and (d) In view of (a) and (b) above, there is no change in the policy of Government on export of iron ore.

Impact of FTA with Asian countries

940. SHRI K.E. ISMAIL:
SHRI D. RAJA:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government has made any study about the impact of Free Trade Agreement (FTA) with Asian countries on our industry and agriculture; and

(b) if so, the details of the FTAs made so far and the result of the study made?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) Before entering into negotiations with its trading partners, studies are undertaken internally, as well as through joint study groups to study the feasibility of the proposed FTAs, including their impact on the domestic industry. Consultations are also held with the domestic stakeholders including the Apex Chambers of Commerce and Industry, industry associations as well as the administrative Ministries and Departments. In order to protect the interests of the domestic industry, these Agreements provide for maintaining sensitive/negative lists of items on which limited or no tariff concessions are granted under the FTA. In addition, in case of a surge in imports and injury to the domestic industry, a country is allowed to take measures such as anti-dumping and safeguards.

(b) India has signed Free Trade Agreements with the following countries

(i) The India-Sri Lanka Free Trade Agreement covering only goods was signed on 28 December 1998 and its implementation began in March 2000.

(ii) India and Singapore have signed a Comprehensive Economic Cooperation Agreement (CECA) on 29 June 2005 which became effective from 1 August, 2006. The CECA includes, *inter-alia*, free trade agreements in goods, services and investment.

(iii) The Agreement on South Asian Free Trade Area (SAFTA), covering goods, was signed by the SAARC member countries (Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka) during the 12th SAARC Summit in Islamabad on 6 January 2004 and has come into force from 1 January 2006. The tariff liberalization programme under SAFTA has commenced from 1 July 2006.

(iv) India also has bilateral trade treaties with Nepal and Bhutan, under which duty-free access has been provided to goods from these two countries, on non-reciprocal basis.

Labelling use of Vanilla products

941. SHRI P.R. RAJAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government has a plan for a rescue package for vanilla farmers;

(b) whether Ministry of Health has been asked to make it mandatory to label the use of synthetic vanilla and natural vanilla on the product; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) Government has announced a scheme to provide subsidy to the Vanilla Growers under which M/s STCL would procure vanilla beans from growers and would sell the vanillin extracts to the Dairy/Confectionery industry.

(b) and (c) Ministry of Health was requested for marking it mandatory labeling of ice-cream which uses synthetic vanilla or artificial flavour who have informed that under the provisions of Prevention of Food Adulteration Rules, 1955, the label indicating the names of ingredients used in the products in descending order of the composition by weight and volume including all package food and ice cream is mandatory. Products using synthetic vanilla or artificial flavour need to be labeled as "contains artificial flavours".

Support to small tea growers in Assam

942. SHRI BIRENDRA PRASAD BAISHYA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the per cent contribution of small tea growers in the overall productivity of the country with special reference to Assam;

(b) the kind of financial and other support Government is extending and proposes to extend towards enhancing quality production by small tea growers in Assam;

(c) the major constraints of small tea growers in their rapid growth and sustenance; and

(d) the steps taken by Government to mitigate their problems?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) The contribution from small tea growers to the national tea production is around 250 million kgs and it accounts for nearly 25% of the all India tea production of which 10% is accounted for by small growers in Assam.